

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-2(c)	
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In re:  Coastal Construction Group, LLC <i>Debtor</i>	Case No. 24-15203-MBK  Judge Michael B. Kaplan  Chapter 11

**STANLEY RAJAUSKI'S JOINDER IN OBJECTION TO  
DEBTOR'S MOTION FOR AN ORDER DISMISSING ITS CHAPTER 11 CASE**

TO: THE HONORABLE MICHAEL B. KAPLAN  
UNITED STATES BANKRUPTCY JUDGE

Creditor Stan Rajauski ("Rajauski") filed an unsecured proof of claim in the amount of \$245,880 as a result of debtor Coastal Construction Group, LLC's ("Debtor") failure to perform under a construction contract between Rajauski and Debtor. Debtor has filed a Motion [Docket No. 47], seeking to dismiss the above-captioned Chapter 11 case based on "settlement agreements" made with some of its creditors. On December 18, 2024, creditor American Builders & Contractors Supply Co., Inc. d/b/a ABC Supply Co., Inc. ("ABC") filed an Objection to Debtor's Motion [Docket No. 48].

Rajauski, by and through his undersigned counsel, hereby fully joins in the Objection filed by ABC. As argued by ABC:

The Debtor makes the unqualified admissions that it seeks dismissal of its case to (1) consummate a sale of mortgaged properties at 426 and 427 Boxwood Drive, Forked River, New Jersey, without the Court's supervision and (2) use the sale proceeds to pay favored creditors who have entered into settlement agreements with the Debtor's owner Dean Rado and without the Court's supervision. (Certification of Dean Rado (the "Rado Certification"), ¶¶ 6-8). Indeed, attached as Exhibit B to the Rado Certification is a settlement agreement by which Dean Rado and the Debtor purport to settle a judgment creditor's claim for which they are jointly and severally liable as judgment debtors and agree to satisfy that joint and several liability with a payment from the sale proceeds. This settlement agreement has not been presented to the Court for approval pursuant to Federal Rule of Bankruptcy Procedure 9019 and it has not been subject to the heightened scrutiny review that is required by virtue of Dean Rado's ownership of the Debtor. Dean Rado's admissions as to his desire to sell properties in which the Debtor has equity and use the sale proceeds to extinguish his personal liability to certain favored creditors cannot and should not satisfy the Debtor's burden to establish "cause" for dismissal under section 1112 of the Bankruptcy Code.

Here, dismissal would reward Dean Rado by allowing him to pick and choose which of the Debtor's creditors are paid after the Debtor admittedly enjoyed substantial protection under the Bankruptcy Code. (Rado Certification, ¶ 5). At this point, the best hope of the Debtor's general unsecured creditors, including ABC, for recovery is for the Debtor to remain in bankruptcy. Denying the Debtor's motion is in the best interests of the creditors of the Debtor's estate and the Debtor's evident desire to make undisclosed deals with certain of its creditors outside of bankruptcy should not, and cannot, constitute cause for dismissal under section 1112 of the Bankruptcy Code. Even if the Debtor's new founded desire to reach resolutions with certain of its creditors outside of bankruptcy constituted "for cause" under section 1112 of the Bankruptcy Code (which it does not), these are the unusual circumstances which warrant the denial of the relief sought in the Debtor's Motion.

ABC Objection, pp. 2-3.

Like ABC, if the Court were to grant this motion to dismiss chapter 11 proceedings, Creditor would be unfairly prejudiced. Accordingly, Creditor joins ABC's Objection to Debtor's Motion to dismiss the chapter 11 proceeding, and respectfully requests that the Motion be denied.

/s/ Dana S. Plon  
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December 23, 2024